

Frequently Asked Questions for Bank Customers in Areas Affected by Hurricane Katrina

Q. The local banks are not cashing my checks or letting me withdraw money from teller stations, what can I do?

A. If you do not have an account relationship with the bank, it may be concerned about whether there are sufficient funds in your account. Ask the bank to call your bank to determine your account balance. You can also establish an account with a bank in your new area by asking your bank to wire funds from your account to the financial institution in your new area.

Q. My direct deposit is not showing up in my account, and I need money. Is there somebody who can help me clear this up with the bank?

A. Sometimes there are delays in the processing of transactions, including direct deposits, as banks activate back up plans. The banks will process the transactions once the plans are implemented. The delays should be rectified soon.

Please talk to your bank about the problem. You can also contact the individual or company that originated the deposit to see if they have any information about the status of your deposit.

Q.If my ATM card does not work, what should I do?

A. If your ATM card will not work, it is probably because your bank's verification system is not working. You may consider other options, such as cashing a check in the area where you are located or using a credit card. You may also contact one of the emergency service organizations, such as FEMA or the Red Cross, and request assistance.

Q. ATM fees are piling up, why aren't the banks waiving these fees?

A. Please contact your banks and explain your situation. The regulators are strongly encouraging banks to waive these fees for those hardest hit by the disaster.

Q. I can't reach my bank by phone or internet, what should I do?

A. If your bank is located in the heavily storm damaged area and is not a part of a major regional or national institution, it may not be open for some time. You should contact one of the emergency service organizations, such as FEMA or the Red Cross, and request assistance.

Q. I am no longer working due to the storm and don't have the income to live on and meet my payments. If I miss some loan payments, how will this affect my credit? Will I be charged late fees?

A. Regulators are telling banks to be understanding during this time of crisis. We have asked banks to work with customers hit hardest by the hurricane. Among what we are encouraging banks to do is to allow some loan payments to be skipped without it counting against credit histories, extend the terms of loans, and to restructure loans to take into account new sets of circumstances. Before skipping payments or changing the terms of the loan, contact your bank. FDIC is encouraging banks to be

flexible in this time of crisis, including fees.

Q. I need longer term financing until insurance checks come in and I can find another job, will banks help?

A. We understand that not all banks provide short-term, unsecured loans, but regulators have encouraged banks to consider making loans on a short-term basis to help consumers. We have promised banks waivers of certain rules governing this area.

Q. Where can I find a list of banks that are working with displaced people?

A. The FDIC is attempting to keep such a list of banks. Here is the link to the most up-to-date list we have available.

Q. What about the contents of my safe deposit box?

A. Most safe deposit boxes are held in the bank's vault, which are fireproof and waterproof. If possible, contact the branch or office where your box was located to determine the condition of your box.

Q. What happens if my bank has lost my records?

A. Be assured that banks are required to have extensive contingency plans for all types of disruptions to operations, including natural disasters. Banks have backup systems of records and other built-in duplications that are housed in safe locations so that financial records can be reconstructed and restored.

Q. If my local bank was destroyed, is my money still insured?

A. Yes, your money is still insured by the Federal Deposit Insurance Corporation. Deposits with a FDIC insured bank or savings institution will continue to be protected up to \$100,000. However, you should keep any financial records that you have in order to help reconstruct your accounts.

Q. How can consumers deposit or cash any insurance checks they may receive?

A. By the time emergency relief and insurance payments are received the affected institutions should be prepared to process these payments for their customers. Should a customer's primary financial institution not be ready to receive these payments it is anticipated arrangements will be made with neighboring institutions to handle these special consumer needs.

Q. Will there be enough cash?

A. Be assured the Federal Reserve System has and will continue to meet the currency needs of the financial institution industry. The banking industry nationwide has more than sufficient resources to fill any shortfall.

Q. Is my bank safe? Do you believe the affected banks will survive?

A. We are not aware of any bank that has closed due to the impact of a natural disaster. Consumers can also rely upon the guarantees provided by the FDIC, which oversees the insurance funds that back deposits in banks and thrifts, and the National Credit Union Share Insurance Fund, which protects credit union depositors. These depositors can rest assured that deposit insurance is in full force.

Q. Who can I contact for more information?

A. The FDIC has a consumer hotline set up for this crisis. Please call 1-877-ASK-FDIC (275-3342). The hotline is operating 24 hours a day, 7 days a week.

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